

## Michaud Seeks Action on China's Unfair Trade Practices in the Green Technology Sector

Wednesday, September 29 2010

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In the letter, Michaud and his colleagues expressed their strong concern for China's unfair trade practices, in particular China's abusive policies to protect and develop their green energy sector. They also urged the Administration to take action on a petition filed by the United Steelworkers requesting a formal investigation of China's subsidization and protection of its green energy sector. A formal investigation by the Administration is the first step toward officially addressing unfair trade practices with China.

"Whether it's currency manipulation or direct subsidization, China consistently violates international trade laws. And their abusive green energy policies are just their latest effort to skirt international rules of trade to the detriment of American industries," said Michaud, who is pushing the U.S. to do more to crack down on China's currency manipulation and other trade practices. "Maine can and should be a global leader in clean energy, but our companies can't compete if China doesn't play by the rules."

The full text of the letter to President Obama can also be found below.

September 28, 2010

The President

The White House

Washington, D.C. 20500

Dear Mr. President:

We write to express our strong concern regarding China's use of unfair trade practices to promote the global competitiveness of its industries. Such practices are widespread, and should be addressed in every sector in which they occur. We write today, however, with urgency about China's use of such unfair trade practices to bolster and, in fact, globally dominate the green technology sector, and to ask that you swiftly mobilize Administration resources to address these practices.

In this regard, we support the petition filed by the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Services Workers International Union, AFL-CIO CLC ("Steelworkers") under Section 301 of the Trade Act of 1974 ("Section 301") on September 9, 2010, and urge your Administration to take prompt action to address the practices underlying this petition.

China's proliferation of unfair trade practices continues unabated with dire consequences for U.S. workers, business and innovators. Upon entry into the World Trade Organization ("WTO") in 2001, China agreed to remove its existing barriers to trade and to not adopt new barriers. Nearly a decade later, however, China has not followed through on many commitments, and has developed a new generation of discriminatory and unfair trade practices designed to protect and promote its domestic industries at the expense of U.S. jobs, commerce and know-how.

China's approach to green technology policy exemplifies this grim trend. Through a variety of predatory trade practices, China's industrial policy seeks to give its manufacturers an unfair advantage in the green technology revolution and to capture this emerging sector. These practices, combined with Chinese currency policy, are already taking a heavy toll on the U.S. green economy and U.S. trade balances.

The United States cannot stand on the side lines. It must take urgent and decisive enforcement action to secure a level playing field for fair competition for green technology manufacturers. The Office of the United States Trade Representative ("USTR") has a strong enforcement record with respect to China and your Administration has taken significant action in this regard, including the China tires 421 safeguard action, as well as WTO disputes against China regarding raw materials, financial services and steel products. It is now time to redouble these efforts in two respects – to take action on the basis of the Steelworkers' Section 301 petition and to ensure that USTR has the resources and personnel it needs to target these practices aggressively and comprehensively.

As you know, the Steelworkers' Section 301 petition describes over 80 Chinese laws, regulations and practices that cover a broad spectrum of green technologies, including – solar, wind, biomass, geothermal, hydropower, nuclear, and advanced batteries – which seek to benefit Chinese manufacturers to the detriment of their American competitors.

If left unchecked, these practices will achieve their intended effect, which is to drive American manufacturers from this critical emerging sector. While USTR will need to evaluate each aspect of the petition on its merits, we call on USTR to do so with a view to examining all appropriate responses that will quickly end these unfair trade practices.

In addition, we urge you to redirect existing resources and dedicate significant new resources to the China trade enforcement mission of the United States government. USTR should build on existing capacities and expand to include additional personnel with linguistic, legal, investigative, trade and country expertise to target China's increasingly sophisticated unfair trade practices.

Specifically, a dedicated China trade enforcement team should be tasked with translating relevant laws and regulations, investigating possible unfair trade practices, going to China to assist in case development, evaluating possible legal claims, and responding expeditiously with targeted action, including WTO dispute settlement where appropriate. This team should be led by USTR's Office of the General Counsel, and work closely with USTR's Chief Counsel for China Trade Enforcement and USTR's China Affairs Office, as well as other relevant offices within USTR and other agencies.

We look forward to working with you and to doing our part to address these concerns in order to ensure that the United States is not denied the ability to fully compete in the green technology revolution.

Sincerely,

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